91-2031

No. (1)

Supreme Court, U.S.
FILED
JUN 17 1992
OFFICE OF THE CLERK

In The Supreme Court Of The United States

OCTOBER TERM, 1991

JOY TECHNOLOGIES, INC.,
Plaintiff-Petitioner,

v.

HARRY F. MANBECK, JR.
COMMISSIONER OF PATENTS AND TRADEMARKS,
Defendant-Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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EDITOR'S NOTE

THE FOLLOWING PAGES WERE POOR HARD COPY AT THE TIME OF FILMING. IF AND WHEN A BETTER COPY CAN BE OBTAINED, A NEW FICHE WILL BE ISSUED.

QUESTIONS PRESENTED

1. If the Congress cannot take away a patent owner's 7th Amendment right to trial by jury in an Article III Court to determine the invalidity of his patent, may Congress take away the right to trial by jury by assigning to the Patent and Trademark Office (PTO) the invalidity of the patent under the guise of patent reexamination?

2. For purposes of the 7th Amendment are the rights in an issued patent private common law rights or public rights?

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The Petitioner,[1] Joy Technologies Inc. (Joy) respectfully prays that a Writ of Certiorari issue to review the Judgment of the United States Court of Appeals for the Federal Circuit entered in this case on March 20, 1992.

OPINIONS BELOW

The Opinion of the Federal Circuit is reported at 959 F.2d 226 (Fed. Cir. 1992) and reprinted in the Appendix at A-1.

The Judgment of the Federal Circuit is reprinted in the Appendix at B-1.

JURISDICTION

The Judgment and Opinion of the Federal Circuit was entered March 20,

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[1]Joy has no parent corporation; all subsidiaries are wholly owned except for Joy MK Projects Co. which is partially owned.

1992. No Petition for Rehearing was filed.

The jurisdiction of this Court to review the aforesaid judgment by Writ of Certiorari is invoked under 28 U.S.C. §1254(1).

CONSTITUTIONAL PROVISION AND STATUTES INVOLVED

United States Constitution, 7th Amendment.

> In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

In addition to the 7th Amendment, the statutory provisions involved in this petition are set out in full in the Appendix at C-1. They pertain to the reexamination of patents as provided in Pub. L. 96-517, 94 Stat. 3015, 3016; 35

U.S.C. §§301-307. In brief, under §302, "any person at any time may file a request for reexamination by the Office [Patent and Trademark Office] of any claim of a patent on the basis of any prior art cited under the provisions of Section 301 of this title". Further, under §307(a), "in a reexamination proceeding under this chapter, when the time for appeal has expired or any appeal proceeding has terminated, the Commissioner will issue and publish a certificate canceling any claim of the patent fully determined to be unpatentable ...".

STATEMENT OF THE CASE

Petitioner Joy Technologies Inc., formerly Joy Manufacturing Company, is the owner of U.S. Patent No. 4,042,864 ('864). Joy received the patent after it

issued on August 16, 1977. This petition concerns the right to trial by jury and only a rudimentary understanding of the patent is necessary for background purposes. The right to trial by jury was denied in the proceedings below and critical disputed facts determined against Joy by the court. As a result, Joy lost important rights previously protected by Claim 18 of Joy's patent and a contract with National Mine Service Company, Inc. (National) has been impaired. Other claims besides Claim 18 were lost and are not referenced herein only because of the narrow issue raised, that is, the right to trial by jury, and because only Claim 18 relates to Joy's contract with National.

In brief, the subject matter of the patent is electrical traction drive

control systems for underground mobile mining machines, such as shuttle cars. Shuttle cars are used in certain areas of mines where the conditions are typically hazardous because of explosive methane gas released from the area of the coal seam being mined. Shuttle cars are mobile, rubber-tired transport vehicles supplied with electrical current by a trailing cable. The trailing cable is played out or reeled in as the shuttle car moves through mine passageways. The electrical current is used to drive electric motors, gear drives, pumps, conveyors, etc. Shuttle cars can be used in hazardous areas for short haulage to move loose coal away from the mine face to other haulage means used to move the coal to the surface. Opinions of the district court in Joy Technologies Inc. v. Quigg, 732

F. Supp. 227, 14 USPQ.2d 1432 (D. D.C. 1990) and Joy Technologies Inc. v. Manbeck, 751 F. Supp. 225, 17 USPQ.2d 1257 (D. D.C. 1990) provide additional background discussion.

The invention in more particular concerns the conversion of electrical energy from AC current to DC current directly on board a shuttle car. Prior to the inventor's work, conversion of electrical current was known both above ground and underground but not in the manner set forth in the invention. Prior underground conversion was not on board the machines and was by large, stationary conversion units.

The underground environment where shuttle cars are used is different from above ground mining conditions and even other areas of underground mines. The size of underground openings in coal

seams limits the size and operation of shuttle cars and the options for designs. Compliance with numerous federal and state safety laws is required. Electrical control systems on shuttle cars must be contained within an explosion-proof compartment that is of limited size.

Prior to the inventor's work, shuttle cars were supplied with either AC current or DC current. Each type of current has its advantages and disadvantages. The patent resulted from the work of Melvin Norris, a Joy electrical engineer who made it possible to have both AC and DC current on board shuttle cars in the same space used previously for either AC or DC controls - something never before believed possible. Mr. Norris assigned his inventions to Joy.

National Mine Service Company, the leading supplier of shuttle cars at the time of the invention and Joy's main competitor, denied that AC/DC shuttle cars were an improvement. National initially claimed its traction drives superior to an AC/DC drive. National believed AC/DC far too complex to be practical, but the accomplishment was heralded as "revolutionary" by J. Hilary Kelley, then Dean of the College of Mineral and Energy Resources at West Virginia University. Over time, AC/DC was adopted by the coal mining industry and Dr. Kelley's perception of the benefits to be derived from the invention proved to be correct.

In the course of proving the feasibility of his concept of converting AC current on board shuttle cars so that both AC and DC could be used on a mining

machine to the greatest advantage, Mr. Norris developed a complex electrical circuit. The availability of both AC and DC current on board the shuttle car enabled the inventor to improve the operating characteristics and performance of the shuttle car and, in addition, the complex circuit proved to be very reliable rather than a disadvantage.

Mr. Norris recognized that other circuits could be developed based on the success of his original work. To obtain protection for the invention of on-board AC/DC conversion, his patent attorney submitted a method claim to the PTO in the initial application. The method claim was allowed as patentable and it became Claim 18 of the patent. Under the requirements of 35 U.S.C. §112 the details of the successful circuit were

disclosed; however, the invention was not merely to that specific circuit. Rather, the invention included the on-board conversion of AC to DC. Claim 18 was intended to protect against copying the complex circuit and, in addition, other circuits or means that could differ in detail yet accomplish the same result.

Within a few years after the patent issued, Joy discovered that its main competitor, National had adopted the method and was infringing Claim 18. Suit for infringement against National was commenced in the United States District Court for the Western District of Pennsylvania. Trial by jury was demanded. Among other things, National responded that claim 18 was invalid for failure to meet the factual nonobviousness requirement of 35 U.S.C. §103:

> Conditions for Patentability; Non-Obvious Subject Matter.
>
> A patent may not be obtained though the invention is not identically disclosed or described as set forth in §102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

See the discussion of obvious/nonobvious in Graham v. John Deere Co., 383 U.S. 1, 148 USPQ 459 (1966).

After answering the complaint, National moved for summary judgment under §103 based on the content of written publications prior to the date of Norris's application for the patent which National alleged rendered Claim 18

obvious and unpatentable. The district court denied National's motion because the district court observed that disputed factual issues existed for a jury to resolve even though the motion was based on documents.

The suit with National never came to trial. As a result of court-supervised settlement negotiations, National entered into a contract to pay royalties on the mining machines it built over the remaining life of the patent. National also agreed not to further contest the validity of Claim 18 in a federal district court. National's obligation to pay royalties continued only as long as Claim 18 remained.

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On July 1, 1981, Reexamination of previously issued unexpired patents became possible under Pub.L. No. 96-517,

8(b), 94 Stat. 3015, 3027, 35 U.S.C. §§301-307. At the request of a third party, such as National, the PTO was authorized to recall jurisdiction over an issued patent, to reexamine the application as if it were an initial application and to reject or cancel the previously allowed patent claims as nonpatentable.[2] That is, to hold the claims invalid for failure to meet the requirements of 35 U.S.C. §101, et seq.,

[2] In the original process of examination, if the application fails to meet the requirements of 35 U.8.C. §101 et seq., the inventor's requested cla ms are said to be unpatentable or nonpatentable. If the application is allowed and the patent issued but later determined by an Article III Court not to comply with 35 U.S.C. §101 et seq., it is said the patent is invalid. In this petition, the word "invalid" is used for failure to meet the requirements of 35 U.S.C. §101 et seq. throughout this petition to avoid confusion since the issue of patentability, validity or invalidity is determined by application of the very same legal requirements; to-wit, 35 U.S.C. §101 et seq.

even though the application for a patent was adjudged to have met such requirements when earlier examined. The law provided no limitation as to the number of times a patent could be reexamined by the PTO; and, if at any time the PTO determines a claim is invalid, it then cancels the previously allowed claim and reissues the patent without the claim. The outcome of reexamination can be based simply on a further review and reevaluation of the same evidence previously considered in the initial application by the Examiner as inadequate to reject the application.

Prior to reexamination, the PTO had no right of its own or right at the request of a third party, such as National, to reexamine issued patents for any reason. Rather, issues as to compliance with 35 U.S.C. §101 et seq.

resided exclusively in Article III Courts. In reexamination, no new proceedures for review of examiners' decisions was provided; rather, Congress adopted the same review procedures already in place with regard to applications for a patent rejected by the PTO. In such cases, an examiner's decision can be appealed by the applicant to the Board of Patent Appeals and Interferences and from there either on the record to the Federal Circuit or a suit commenced against the Commissioner in the district court for the District of Columbia. See 35 U.S.C. §145 and §306. If suit is commenced in the district court, the applicant and PTO can present additional evidence; however, there is no right to a trial by jury. When Congress enacted reexamination, it did not provide special review procedures

applicable to patents already issued or for a trial by jury and, by failing to do so, Congress changed the law that had existed since the adoption of the Constitution; that is, it authorized the PTO to invalidate an issued patent without trial by jury.

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Some time after the court-supervised settlement resulting in a contract between National and Joy, National requested that the PTO reexamine Joy's patent and the request was granted. The request included a reference to the identical documents relied on by National in the prior suit which the district court held presented a factual issue for a jury to decide. Joy's efforts to stop the reexamination because of the settlement were

unsuccessful[3] and reexamination proceeded. In the opinion of the reexamination Examiner, claim 18 was invalid as anticipated under 35 U.S.C. §102 based on a combination of several documents or, in the alternative, was obvious under 35 U.S.C. §103 based on such documents. On review to the Board of Patent Appeals and Interferences, it reversed the §102 rejection because it did not comply with applicable law but sustained the §103 rejection that the claimed invention was obvious.

Following the Board's decision, Joy filed a suit against the Commissioner of Patents in the United States District Court for the District of Columbia under 35 U.S.C. §145 and §306 and demanded

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[3]See Joy Mfg. Co. v. National Mine Serv. Co., Inc., 810 F.2d 1127 (Fed. Cir. 1987).

trial by Jury. Joy had testimony and other evidence to present that was not before the examiner.[4] The Commissioner moved to strike the demand for jury trial and the motion was granted on the grounds that Congress had not affirmatively granted such a right. The court also struck Joy's challenge of the constitutionality of the reexamination statute. See Joy Technologies Inc. v. Quigg, 12 USPQ.2d 1112 (D. D.C. 1989).

The Commissioner then moved for summary judgment on the grounds the invention was obvious under §103 for the reasons stated by the Board of Patent Appeals and Interferences and the motion was denied because of disputed material facts. See Joy Technologies Inc. v.

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[4]Before the examiner, witnesses cannot be called to testify.

Quigg, 732 F. Supp. 227, 14 USPQ 1432 (D. D.C. 1990).

A nonjury trial in the district court followed and went against Joy as to some claims, including Claim 18, the subject of the Joy/National contract requiring National to pay royalties to Joy. See Joy Technologies Inc. v. Manbeck, 751 F. Supp. 225, 17 USPQ 1257 (D. D.C. 1990). An appeal was taken to the Federal Circuit. Joy's appeal was heard by a panel and on March 20, 1992, the court affirmed the denial of the right to trial by jury and affirmed the other holdings of the district court. (Appendix A-1, 959 F.2d 226 (Fed. Cir. 1992).) Judgment was entered March 20, 1992. The CAFC denied a motion to stay the mandate and issued its mandate to enable the PTO to cancel those claims held unpatentable.

REASONS FOR GRANTING THE WRIT

IT HAS ALWAYS BEEN THE LAW THAT THE 7TH AMENDMENT APPLIES WITH REGARD TO DISPUTED ISSUES OF FACT CONCERNING THE VALIDITY OF AN ISSUED PATENT.

The conclusion reached below that Congress could, through the reexamination statute, deprive patent owners of the right to trial by jury was based on the Court's prior decision in Patlex Corp. v. Mossinghoff, 758 F.2d 594, 225 USPQ 243, modified on rehearing 771 F.2d 480, 226 USPQ 985 (Fed. Cir. 1985). In that case, the court held, inter alia, at 758 F.2d 604, that reexamination concerned primarily public rights and not private rights, since only the government can confer a patent. The court below would not depart from that holding and this Court has never passed on the issue.

Certiorari is sought to have this Court determine whether inventions, once allowed as patentable and published for the benefit of the public, involve vested common law private rights entitling the patent owner to trial by jury of disputed factual issues in an Article III Court. That was the law prior to reexamination. The question for review should be decided by this Court because of its recurring importance to all inventors and patent owners. As will be discussed, prior decisions of this Court have affirmed the patent owner's 7th Amendment rights with regard to issued patents. The ownership of patent rights is assignable and the threat of reexamination of a patent introduces another uncertainty as to the value of a patent.

Except with regard to reexamination, the Federal Circuit has been clear that, a patent owner has an unquestionable right to trial before a jury in an Article III Court to decide the invalidity of his patent under 35 U.S.C. §101 et seq. See Richardson v. Suzuki Motors Co., 868 F.2d 1226 (Fed. Cir. 1989), cert. denied, 493 U.S. 853 (1989), in which the court at 1234 stated:

> It is established that the jury may decide the question of anticipation [§102 invalidity] and obviousness [§103 invalidity], either as separate special verdicts or enroute to a verdict on the question of validity which may also be decided by the jury. Connell v. Sears, Roebuck & Co., 722 F.2d 1542, 1547, 220 USPQ 193, 197 (Fed. Cir. 1983):
>
> > No Warrant appears for distinguishing the submission of legal questions to a jury in patent cases from such submissions routinely

> made in other types of cases. So long as the Seventh Amendment stands, the right to a jury trial should not be rationed, nor should particular issues in particular types of cases be treated differently from similar issues in other types of case.

The loss of a patent through reexamination without the 7th Amendment right to trial by jury of disputed factual issues is a matter of great concern. The 7th Amendment precluded the district court in Joy's suit with National from resolving disputed facts --explaining that such facts were for a jury to resolve. Even in the instant case, the district court was required to hold a trial and could not grant summary judgment by simply upholding the decision of the Board of Patent Appeals and Interferences.

Nunc pro tunc determinations of fact in reexamination fail to return Joy to the same position it enjoyed prior to issuance of the patent since the entire world has gained the benefit of all of the information disclosed in the patent; and reexamination has stripped Joy of its legal rights against those who have gained the information, including what was proprietary information in the nature of trade secrets prior to publication of the patent. Prior to reexamination, while proprietary rights could be lost, that could only happen in a court; either federal or state, with 7th Amendment rights guaranteed.

This Court in Ruckelshaus v. Monsanto Co., 467 U.S. 986 L.Ed. 815, 104 S.Ct. 2862 (1984), recognized that business information, broadly classified as trade secrets, can be protected by

the Taking Clause of the Fifth Amendment. That should be the case here. The inventor's disclosures in his patent application typically contain confidential, proprietary business information of commercial value. For example, information of the complex AC/DC circuit developed by inventor Norris disclosed in the Joy patent was clearly susceptible to protection by the Fifth Amendment before the patent issued. And, before the patent issued, Joy could prevent public disclosure by the PTO of Joy's proprietary information. Further, once the patent issued, Joy could rely on its right to trial by jury in an Article III Court if an issue arose as to whether the PTO made a error in issuing the patent. Errors by the PTO generally are alleged

in all disputes over the invalidity of a patent.

The authority to reject claims nunc pro tunc of an issued patent without trial by jury is analogous to a provision of the 1793 Patent Act condemned by this Court in Ex Parte Wood & Brundage, 22 U.S., 9 Wheat. 603, 6 L.Ed. 171 (1824). A provision in the 1793 Act, like reexamination, permitted any person (National) to attack the issuance of the patent. The proceeding was to be brought in a district court as a summary proceeding with the court authorized to repeal (cancel) the patent if it found the patent was obtained surreptitiously or upon false suggestion. The district court was not to try validity but the process of obtaining the patent. But this also turned on the facts. On review by this Court, it was held the

Seventh Amendment prohibited a summary repeal of a patent by a district court without a trial by jury when an issue of fact was involved.

> ... If the issue be an issue of fact, the trial thereof is to be by a jury; if an issue of law, by the court, as in other cases. (Re Wood, 6 L.Ed. 171).

There is no difference between issues of fact in the repeal of a patent, an invalidity trial in an Article III Court or reexamination to nunc pro tunc reject claims as unpatentable. Regardless of the tribunal, issues of fact remain issues of fact to be resolved as this Court instructed in Graham v. John Deere, supra. The same legal requirements, 35 U.S.C. §101 et seq., control in all cases. Until reexamination, the right to trial by jury with regard to repealing,

cancelling or invalidating an issued patent had existed throughout the entire history of this country. In Wood, supra, this Court explained:

> [606] Upon the slightest inspection of this section, it will be at once perceived, that however summary the proceedings may be, they are of vast importance to the parties, and involve the whole right and interest of the patentee.
>
> * * *
>
> ... The securing to inventors of an exclusive right to [608] their inventions was deemed of so much importance as a means of promoting the progress of science and the useful arts that the constitution has expressly delegated to Congress the power to secure such rights to them for a limited period. The inventor has, during this period, a property in his inventions; a property which is often of great value, and of which the law intended to give him the absolute enjoyment and possession. In suits at common law, where the value in controversy exceeds $20.00, the Constitution has

> secured to the citizens a trial by jury. (Re Wood, 6 L.Ed 172) (Emphasis added.)

Later, in Root v. L.D. and R. Co., 105 U.S. 189, 26 L.Ed. 975 (1882), a case involving whether the rights of the owner of a patent for improved railroad car brakes were equitable or legal, this Court reviewed the history of the prior Patent Acts, the nature of patent rights and held such rights were legal rights existing under common law rather than equitable rights:

> ... Indeed, it is the settled doctrine of this Court that this distinction of jurisdiction, between law and equity, is constitutional, to the extent to which the 7th Amendment forbids any infringement of the right of trial by jury as fixed by the common law. And the doctrine applies in patent cases as well as others. This Court said in Parsons v. Bedford, 3 Pet., 446, speaking of the meaning intended by the framers of that amendment, that "By common law they

> meant what the Constitution denominated, in the 3d article, LAW, not merely suits which the common law recognized among its old and settled proceedings, but suits in which legal rights were to be ascertained and determined in contradistinction to those where equitable remedies administered .... (26 L.Ed. 981).

In Patlex, supra, the court does not mention the Wood or Root decisions. Rather, it distinguished the decision of this Court in Northern Pipeline Construction Co. v. Marathon Pipe Line Co., 458 U.S. 50, 102 S.Ct. 2858, 73 L.Ed. 2d 598 (1982), prohibiting assignment by Congress of common law disputes to bankruptcy courts by simply stating the rights involved were public rights:

> In contrast with the private rights at issue in Northern Pipeline, the grant of a valid patent is primarily a public concern. Validity often is brought into

> question in disputes between private parties, but the threshold question usually is whether the PTO, under the authority assigned to it by Congress, properly granted the patent. At issue is a right that can only be conferred by the government. See Crowell v. Benson, 285 U.8. at 50, 52 S.Ct. at 292. Thus we find no constitutional infirmity, under the analysis suggested by Northern Pipeline, in patent reexamination by the PTO. (Patlex at 604)

While it is true that only government can examine the application and issue the patent, it can neither grant to the inventor, take from him or publish his discoveries and inventions without the applicant's consent and the public concern is no less protected because the matter is subject to the 7th Amendment. An issued patent is but prima facie evidence of the right to exclude others from practicing the invention and not a final determination

of the validity or invalidity of the invention. The invention has always been the private property of the patent owner subject to being declared invalid in an Article III Court. See Crown Die & Tool Co. v. Nye Tool & Machine Works, 261 U.S. 24, 67 L.Ed 516 (1923):

> The sole reason and purpose of the constitutional grant to Congress to enact patent laws is to promote the progress of science and useful arts by securing for limited times to inventors the exclusive right to their respective discoveries. (67 L.Ed. at 519)

By contrast to a patent grant for a limited period of time, inventions if not disclosed to the public at large in a patent may be retained in secrecy by the owner for an indefinite period of time. For example, the Worcestershire Sauce formula was never patented and remains the secret property of the owner

to this day. It is the property right of the inventor in his claimed invention that predominates in a patent, as the Wood and Crown Die & Tool Co. cases make clear.

> Nor are there any public mischiefs which will result from the view which the court takes of this section. On the contrary, it will subserve the purposes of general justice. If a patent has been fraudulently obtained, or upon false suggestions, it may be repealed within [614] three years, if a jury, upon a trial, shall be satisfied of the fact. If such a repeal is not had, still the public have a perfect security. They may violate the patent with impunity, and if sued for the violation, any person may show the same facts in his defense, and they will constitute a complete bar to the suit by the express provisions of the 6th section of the patent act. Here, also, the trial will be ordinarily by a jury, and if the verdict is found, upon such facts in favor of defendant, the law expressly declares, that "judgment shall be rendered for the defendant, with costs, and

> the patent shall be declared void". (Re Wood, 6 L.Ed. 174)

Thus, only if a jury is satisfied, is the fact of patent invalidity established and that should be true in reexamination as well.

What distinguishes an issued patent from a patent application is that, in the initial examination process, until the time the patent issues, the inventor can reject the government's offer of a patent and the PTO is prohibited from disclosing any information to the public. The inventor also can use means to prevent the disclosure of his information to the public at large and he may have legal recourse at common law against those who betray his confidence and trust.

Joy contends Congress could not properly relegate issues over the

invalidity of an issued patent back to the PTO for an administrative determination of disputed factual issues once the whole world has been given the information set forth in the patent. When the validity of an issued patent is challenged--for whatever reason--the 7th Amendment historically has guaranteed the owner's right to trial by jury, the same as at common law and as in the Joy suit against National.

In the instant case, the court below declined to address Joy's argument because of the prior decision in Patlex. However, the Patlex court did not have the benefit of the guidance later provided in Granfinanciera v. Nordberg, 492 U.S. 33, 106 L.Ed.2d 26 (1989) and Tull v. United States, 481 U.S. 412, 95 L.Ed.2d 365 (1987). Further, in the instant case and in

Patlex, the court relied on a statement from Crowell v.Benson, 285 U.S. 22 (1932), but neither the statement relied upon nor the decision as a whole provides support for the proposition that a patent does not involve private rights. Crowell involves the interplay of nonjury admiralty and general maritime law with the enactment of workers' compensation legislation for longshoremen and harbor workers and the right of Congress to establish legislative courts to determine the workers' rights under that law. Crowell did not involve a consideration of rights in intangible property and the subject was not reviewed by this Court until the Ruckelshaus case, supra. However, in Crowell, this Court was clear to point out:

> On the common law side of the Federal Courts, the

> aid of juries is not only deemed appropriate but is required by the Constitution itself. (At 76 L.Ed. 613)

Moreover, nothing said in Crowell suggests that this Court intended to repudiate what it earlier said with regard to the rights of patent owners in the Root and Wood cases, supra.

Thus, what the Crowell Court considered in its public vs. private rights analysis upon which the court below relied does not provide support for the holding in Patlex that public rights predominate in a patent to the extent the 7th Amendment can be circumvented. Joy respectfully submits that common law private rights predominate in issued patents and that has always been the law.

The Patlex court justified its reasoning on the basis that the

reexamination by the PTO to correct errors was to enhance the value of patents; however, alleged error by the PTO is the sine quo non of patent invalidity disputes traditionally resolved by a jury. Alleged PTO error is not precluded by reexamination and still can be alleged in an Article III Court trial. What the PTO does in reexamination simply is to render an opinion as to disputed facts. The Wood decision should be controlling as to the patent owner's right to trial by jury once the patent has issued. It was for that reason--the right to trial by jury--that the district court in Joy's suit against National refused the summary judgment sought by National. The 7th Amendment protected Joy from the court usurping the authority of a jury to determine the facts and the same

should be true in reexamination. The Congress cannot legislate away a patent owner's right to trial by jury over the invalidity of a patent in a suit commenced in an Article III Court and it should not have the right to do so through patent reexamination.

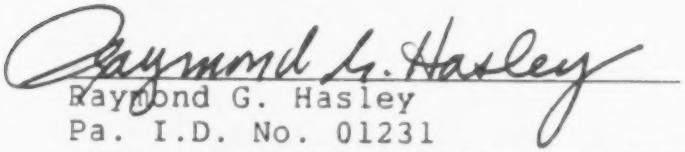
The history of the reexamination statute provides no express statement that Congress ever intended to deprive patent owners of the right to trial by jury so long enjoyed. Rather, the result flowed from the adoption by Congress of the same procedures applicable to original applications without regard to a gross difference between the two situations, the change in status of the invention and the historic right of owners of issued patents to have factual issues over the invalidity of the patent tried to a

jury. In Wood, supra, this Court made it clear that such could not be done by Congress in 1793 and this Court should not permit either the Congress or the Federal Circuit to circumvent that decision and Joy's 7th Amendment rights. Prior to gaining freedom from England in 1776, under the Statute of Monopolies of 1624 that still applied in 1776, 21 James I., Chap. 3, the law declared that, "the force and validity of them and every of them [patents] ought to be and shall be forever hereafter examined, heard, tried and determined by and according to the common laws of this realm and not otherwise." And so it was and should be here.

CONCLUSION

For all of the above reasons, Joy prays that a Writ be issued to review the Judgment of the Federal Circuit.

Respectfully submitted,



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FILING AND MAILING CERTIFICATE

I, Barbara E. Grove, certify that on this 17th day of June, 1992, I filed 40 copies of a Petition for a Writ of Certiorari with the Clerk's Office of the Supreme Court of the United States and further certify that I mailed via first class mail, postage prepaid, the required three (3) copies to the Solicitor General, Department of Justice, Washington, DC 20530 and Lee E. Barrett, Esquire, Associate Solicitor, Patent and Trademark Office, Office of the Solicitor, P.O. Box 15667, Arlington, VA 22215.

The necessary filing and mailing was performed in accordance with the instructions given me by counsel in this case.

Barbara Grove

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UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

91-1119

JOY TECHNOLOGIES, INC.,

Plaintiff-Appellant,

v.

HARRY F. MANBECK, JR.,
Commissioner of Patents and Trademarks,

Defendant-Appellee.

Before ARCHER, MAYER and RADER, Circuit Judges.

ARCHER, Circuit Judge.

Joy Technologies, Inc. (Joy)[1] appeals the judgment of the United States District Court for the District of Columbia affirming the decision of the Patent and Trademark Office (PTO) Board of Patent Appeals and Interferences (board) which sustained the rejection of

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[1] Formerly Joy Manufacturing Company.

claims 1-4, 11, 12, 16 and 18 of U.S. Patent No. 4,042,864 ('864) under 35 U.S.C. §103 (1988) in a reexamination proceeding. Joy further seeks review of the district court's conclusion that the reexamination statute does not unconstitutionally deprive a patentee of a jury trial and the court's imposition of costs against Joy pursuant to 35 U.S.C. §145. We affirm.

I

Joy is the owner of the '864 patent for an "AC-DC Traction Drive System" which issued on August 16, 1977.

In April 1980, Joy brought an action against a competitor, National Mine Service, Inc. (National), alleging infringement of the '864 patent. The case was dismissed without prejudice when the parties entered into a

settlement agreement in which National agreed not to bring suit in any United States court challenging the validity of Joy's patent. In Joy Mfg. Co. v. National Mine Serv. Co., Inc., 810 F.2d 1127, 1 USPQ2d 1627 (Fed. Cir. 1987), this court held that the settlement agreement did not prohibit National from filing a request for reexamination pursuant to 35 U.S.C. §302.[2]

In the reexamination proceedings, claims 1-4, 11, 12, 16 and 18 were determined to be unpatentable under 35 U.S.C. §103 and claims 5-10, 13-15 and 17 were confirmed as being patentable.

Joy then filed a complaint against the Commissioner of Patents and

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[2]The reexamination statute, which took effect on July 1, 1981, applies to unexpired patents issued before that date. Pub. L. No. 96-517, §8(b), 94 Stat. 3015, 3027.

Trademarks in the district court under 35 U.S.C. §§145 and 306 demanding a jury trial, taking exception to the allowance of the reexamination, and contesting the section 103 rejection. In preliminary proceedings on motions by the Commissioner, the district court (1) held that the Commissioner's decision to order reexamination is committed to agency discretion and is not reviewable, (2) struck Joy's demand for a jury trial on the basis that sovereign immunity precludes a jury trial because Congress has not affirmatively granted such right under 35 U.S.C. §135, and (3) struck a paragraph of Joy's complaint challenging the constitutionality of the reexamination statute. Joy Technologies, Inc. v.

Quigg, 732 F. Supp. 227, 14 USPQ.2d 1432 (D.D.C. 1990) (Bennett, J.) (Joy II).[1]

After a bench trial, the district court held that Joy failed to establish a nexus between the objective evidence of commercial success and the claimed invention, and that the objective evidence was therefore not entitled to substantial weight. The court affirmed the decision of the board and assessed costs against Joy pursuant to 35 U.S.C. §145. Joy Technologies, Inc. v. Manbeck, 751 F. Supp. 225, 17 USPQ.2d 1257 (D.D.C. 1990) (Bennett, J.) (Joy III).

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[1]Honorable Marion T. Bennett, Senior Circuit Judge, United States Court of Appeals for the Federal Circuit, sitting by designation. 28 U.S.C. §291(b).

II

A. Joy argues that it has improperly been denied a jury trial in an Article III court, that its due process rights have been violated and that property rights in its patent were taken within the meaning of the Fifth Amendment of the United States Constitution by the reexamination and subsequent cancellation of certain of the claims of its patent. Joy asserts that when its patent issued no mechanism existed by which the PTO could reexamine claims and find them to be unpatentable. Accordingly, under the laws then existing, patent validity was determined by an Article III court where the issue could be submitted to a jury. Joy says that had it known of the reexamination statute it could have refused the patent

grant, maintaining the secrecy of its invention.

To this point Joy concedes that its position does not differ from that of the patentee in Patlex Corp. v. Mossinghoff, 758 F.2d 594, 225 USPQ 243, modified on rehearing, 771 F.2d 480, 226 USPQ 985 (Fed. Cir. 1985) (holding that even when applied retroactively the reexamination statute does not violate the due process clause of the Fifth Amendment, the jury trial guarantee of the Seventh Amendment, or Article III of the Constitution).

Joy contends that "[t]he Seventh Amendment analysis requirements established in Granfinanciera [v. Nordberg, 492 U.S. 33 (1989)] and Tull [v. United States, 481 U.S. 412 (1987)] raise serious doubt about the present vitality of Patlex." We disagree.

We conclude, contrary to Joy's contention, that the Granfinanciera decision affirms the basic underpinning of Patlex, viz., that cases involving "public rights" may constitutionally be adjudicated by legislative courts and administrative agencies without implicating the Seventh Amendment right to jury trial. The Patlex court stated that the issuance of a valid patent is primarily a public concern and involves a "right that can only be conferred by the government" even though validity often is brought into question in disputes between private parties. 758 F.2d at 604, 225 USPQ at 250.

The Court in Granfinanciera stated that it adhered to the general teaching of Atlas Roofing Co. v. Occupational Safety and Health Review Comm'n, 430 U.S. 442, 458 (1977) where the Court had

said: "Our prior cases support administrative fact finding in only those situations involving 'public rights.'" 492 U.S. at 51. In doing so, the Court noted that while "public rights" had been left undefined in Atlas Roofing, the Court had cited Crowell v. Benson, 285 U.S. 22 (1932), with approval. In Crowell the Court referred to a "private right" as "the liability of one individual to another under the law as defined," id. at 51, in contrast to cases that "arise between the Government and persons subject to its authority in connection with the performance of the constitutional functions of the executive or legislative departments." Id. at 50. Nothing in Granfinanciera therefore casts doubt on the Patlex court's

holding that a valid patent involves public rights.

Joy's reliance on Tull is similarly misplaced. The Court in Tull reiterated that the Seventh Amendment preserves the right to a jury trial in actions analogous to "Suits at common law," 481 U.S. at 417, and citing Atlas Roofing noted "the Seventh Amendment is not applicable to administrative proceedings." 481 U.S. at 418, n.4. Trying to equate its appeal of the reexamination decision to an action analogous to a "suit at common law," Joy argues that the reexamination proceeding should be construed as most like a declaratory judgment action where the PTO is seeking a determination that Joy's patent is invalid. It admits, however, that the PTO could not bring such a suit. Thus, there is no basis to

recharacterize the statutory procedure established by Congress in the reexamination statute.

Because Patlex is controlling authority and has not been impaired by either of the subsequent Supreme Court cases cited by Joy, we reject Joy's attack on that decision.

Joy contends further that the holding in Patlex was only concerned with "public rights," and does not control the loss of "private rights." Joy says that "[35 U.S.C. §] 112 forced [it] to make a public disclosure of separate proprietary information to obtain a claim . . . [and] can force the disclosure of trade secrets." This subject matter is, according to Joy, property separate from that recited in the claims and cannot be recaptured after the PTO determines on

reexamination that the patent claims were improvidently granted.

We need not reach Joy's argument that it was deprived of private rights. Joy's patent remained in force after the reexamination, although with fewer claims. Joy was required to make an adequate disclosure to support these claims, and it has not argued that any of the disclosures in the application were not required for the allowed claims.

B. Regarding the obviousness rejection of claims 1-4, 11, 12, 16 and 18 of the '864 patent under 35 U.S.C. §103, Joy makes substantially the same arguments that it made before the district court. The district court dealt fully and correctly with all these arguments and we discern no error. Accordingly, we affirm the district court's judgment.

C. Finally, Joy argues that it should not have been assessed the costs of the district court proceedings. The language of 35 U.S.C. §145, however, expressly provides that expenses of the civil action "shall be paid by the applicant." When Congress added the reexamination sections to Title 35 in 1981, it did not see fit to amend this statutory language. Therefore, the district court's assessment of costs against Joy must be upheld.

AFFIRMED

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

91-1119

JOY TECHNOLOGIES, INC.,

Plaintiff-Appellant,

v.

HARRY F. MANBECK, JR.,
Commissioner of Patents and Trademarks,

Defendant-Appellee.

JUDGMENT

ON APPEAL from the United States District Court

In CASE NO(s). 88-3656-OG

This CAUSE having been heard and considered, it is ORDERED and ADJUDGED:

AFFIRMED.

ENTERED BY ORDER OF THE COURT

DATED MARCH 20, 1992 FRANCIS X. GINDHART, Clerk

§301. Citation of prior art

Any person at any time may cite to the Office in writing prior art consisting of patents or printed publications which that person believes to have a bearing on the patentability of any claim of a particular patent. If the person explains in writing the pertinency and manner of applying such prior art to at least one claim of the patent, the citation of such prior art and the explanation thereof will become a part of the official file of the patent. At the written request of the person citing the prior art, his or her identity will be excluded from the paten file and kept confidential.

(Added Pub. L. 96-517, §1, Dec. 12, 1980, 94 Stat. 3015.)

* * *

§302. Request for reexamination

Any person at any time may file a request for reexamination by the Office of any claim of a patent on the basis of any prior art cited under the provisions of section 301 of this title. The request must be in writing and must be accompanied by payment of a reexamination fee established by the Commissioner of Patents pursuant to the provisions of section 41 of this title. The request must set forth the pertinency and manner applying cited prior art to every claim for which reexamination is requested. Unless the requesting person is the owner of the patent, the Commissioner promptly will send a copy of the request to the owner of record of the patent.

(Added Pub. L. 96 517, §1, Dec. 12, 1980, 94 Stat. 3015.)

* * *

§303. Determination of issue by Commissioner

(a) Within three months following the filing of a request for reexamination under the provisions of section 302 of this title, the Commissioner will determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. On his own initiative, and any time, the Commissioner may determine whether a substantial new question of patentability is raised by patents and publications discovered by him or cited under the provisions of section 301 of this title.

(b) A record of the Commissioner's determination under subsection (a) of this section will be placed in the

official file of the patent, and a copy promptly will be given or mailed to the owner of record of the patent and to the person requesting reexamination, if any.

(c) A determination by the Commissioner pursuant to subsection (a) of this section that no substantial new question of patentability has been raised will be final and nonappealable. Upon such a determination, the Commissioner may refund a portion of the reexamination fee required under section 302 of this title.

(Added Pub. L. 96-517, §1, Dec. 12, 1980, 94 Stat. 3015.)

* * *

§ 304. Reexamination order by Commissioner

If, in a determination made under the provisions of subsection 303(a) of this title, the Commissioner finds that

a substantial new question of patentability affecting any claim of a patent is raised, the determination will include an order for reexamination of the patent for resolution of the question. The patent owner will be given a reasonable period, not less than two months from the date a copy of the determination is given or mailed to him, within which he may file a statement on such question, including any amendment to his patent and new claim or claims he may wish to propose, for consideration in the reexamination. If the patent owner files such a statement, he promptly will serve a copy of it on the person who has requested reexamination under the provisions of section 302 of this title. Within a period of two months from the date of service, that person may file and have considered in

the reexamination a reply to any statement filed by the patent owner. That person promptly will serve on the patent owner a copy of any reply filed. (Added Pub. L. 96-517, §1, Dec. 12, 1980, 94 Stat. 3016.)

* * *

§305. Conduct of reexamination proceedings

After the times for filing the statement and reply provided for by section 304 of this title have expired, reexamination will be conducted according to the procedures established for initial examination under the provisions of sections 132 and 133 of this title. In any reexamination proceeding under this chapter, the patent owner will be permitted to propose any amendment to his patent and a new claim or claims thereto, in order

to distinguish the invention as claimed from the prior art cited under the provisions of section 301 of this title, or in response to a decision adverse to the patentability of a claim of a patent. No proposed amended or new claim enlarging the scope of a claim of the patent will be permitted in reexamination proceeding under this chapter. All reexamination proceedings under this section, including any appeal to the Board of Appeals, will be conducted with special dispatch within the Office.

(Added Pub. L. 96-517, §1, Dec. 12, 1980, 94 Stat. 3016.)

* * *

§306. Appeal

The patent owner involved in a reexamination proceeding under this

chapter may appeal under the provisions of section 134 of this title, and may seek court review under the provisions of sections 141 to 145 of this title, with respect to any decision adverse to the patentability of any original or proposed amended or new claim of the patent.

(Added Pub. L. 96-517, §1, Dec. 12, 1980, 94 Stat. 3016.)

* * *

§307. Certificate of patentability, unpatentability, and claim cancellation

(a) In a reexamination proceeding under this chapter, when the time for appeal has expired or any appeal proceeding has terminated, the Commissioner will issue and public a certificate canceling any claim of the patent finally determined to be

unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent any proposed amended or new claim determined to be patentable.

(b) Any proposed amended or new claim determined to be patentable and incorporated into a patent following a reexamination proceeding will have the same effect as that specified in section 252 of this title for reissued patents on the right of any person who made, purchased, or used anything patented by such proposed amended or new claim, or who made substantial preparation for the same, prior to issuance of a certificate under the provisions of subsection (a) of this section.

(Added Pub. L. 96-517, §1, Dec. 12, 1980, 94 Stat. 3016.)